

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----x-----
In re : Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., *et al.*, : 08-13555 (JMP)
Debtors. : (Jointly Administered)
:-----x-----

**ORDER PURSUANT TO SECTION 105(a)
OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE
9019(b) AUTHORIZING AND APPROVING A SETTLEMENT AND
COMPROMISE AMONG LEHMAN BROTHERS HOLDINGS INC., LEHMAN
COMMERCIAL PAPER INC., AND STATE STREET BANK & TRUST COMPANY**

Upon the motion (the “Motion”), of Lehman Brothers Holdings Inc. (“LBHI”) and Lehman Commercial Paper Inc. (“LCPI”), for an order, pursuant to section 105(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), approving a Settlement Agreement¹ with State Street Bank & Trust Company (“State Street”), as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the United States Trustee for Region 2; (ii) the attorneys for the Official Committee of Unsecured Creditors; (iii) the Securities and Exchange Commission; (iv) the

¹ Capitalized terms used but not defined herein shall have the meanings set forth in the Motion.

Internal Revenue Service; (v) the United States Attorney for the Southern District of New York; (vi) the attorneys for State Street; and (vii) all other parties entitled to notice in accordance with the procedures set forth in the second amended order entered on June 17, 2010 governing case management and administrative procedures for these cases, ECF No. 9635; and the Court having found and determined that the relief sought in the Motion is in the best interests of LBHI and LCPI, their estates and their creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted; and it is further

ORDERED that, pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rule 9019, the Settlement Agreement is approved, and LBHI and LCPI are each duly authorized to (i) consummate all of the transactions contemplated thereby and (ii) execute and deliver such documents and instruments and to take such other actions as may be reasonably necessary to consummate the transactions contemplated by the Settlement Agreement, it being understood that any actions described in this paragraph taken by LBHI, LCPI or any of the affiliates of LBHI or LCPI may be taken without the necessity of any further Court proceedings or approval and shall be conclusive and binding in all respects on all parties in interest in these cases; and it is further

ORDERED that, upon and subject to the terms and conditions set forth in the Settlement Agreement, with respect to Claim No. 32697 and Claim No. 32695, filed by State Street against LCPI and LBHI, respectively (collectively, the "Allowed Deficiency Claims"), State Street will have a general, unsecured, non-priority claim, against each of LCPI and LBHI in their respective chapter 11 cases in the fixed, liquidated amount of \$400,000,000; provided,

however, that the aggregate recovery of State Street in respect of the Allowed Deficiency Claims shall not exceed \$400,000,000; and it is further;

ORDERED that the Debtors' Court-appointed claims agent is authorized to modify the claims register to reflect the reduction and allowance of the Deficiency Claim as provided herein; and it is further

ORDERED that, within ten days of the entry of this Order, State Street shall withdraw with prejudice the adversary proceeding captioned *State Street Bank & Trust Co. v. Lehman Commercial Paper Inc.*, Adv. Pro. No. 08-01743-JMP; and it is further

ORDERED that the Settlement Agreement does not release or compromise (a) any claim that the Debtors might have to avoid any of the eight discrete transfers made by LCPI to State Street, as set forth in the chart attached to this Order as Exhibit 1, (b) any claim or defense that State Street might have or assert in response to the assertion of any such avoidance claim, and (c) any reinstatement claim in favor of State Street that would arise from such an avoidance claim; and it is further

ORDERED that the Settlement Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, in a writing signed by such parties, and in accordance with the terms thereof, without further order of the Court, *provided* that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates; and it is further

ORDERED that the Bankruptcy Court retains jurisdiction to enforce the Settlement Agreement and any disputes arising thereunder.

Dated: New York, New York
August 17, 2011

s/ James M. Peck
UNITED STATES BANKRUPTCY JUDGE

Preserved Claims

Date of Transfer	Amount of Transfer	Currency
9/19/08	\$78,367.33	USD
9/19/08	\$104,489.78	USD
9/19/08	\$130,612.22	USD
9/19/08	\$208,979.56	USD
9/23/08	\$33,586.00	USD
9/23/08	\$44,781.33	USD
9/23/08	\$55,976.67	USD
9/23/08	\$89,562.67	USD